MONTANA LEGISLATIVE HISTORY

Chapter 434 1999

Bill H 766 S _____ Original bill & history ✓ C

H. Committee on Human Services		S. Committee on Pub. Health	
Hearing Date(s) 1/18	✓ C	Hearing Date(s) 3/15	✓ C
	___ C	3/17	✓ C
	___ C		___ C
	___ C		___ C
Date Out	___ C		

Did this bill originate in an interim committee? ___ Yes ✓ No

Committee _____ Report _____

BILL NO. HB 266

INTRODUCED BY Mary Anne Gusseme
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INSURANCE COVERAGE FOR PHENYLKETONURIA TO INCLUDE ALL INBORN ERRORS OF METABOLISM; DEFINING "MEDICAL FOODS"; REQUIRING COVERAGE FOR MEDICAL FOODS, MEDICAL SUPPLIES, PRESCRIPTION DRUGS, AND CERTAIN CORRECTIVE LENSES; AMENDING SECTION 33-22-131, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-22-131, MCA, is amended to read:

"**33-22-131. Coverage for ~~phenylketonuria~~ treatment of inborn errors of metabolism.** (1) Each group or individual medical expense disability policy, certificate of insurance, and membership contract that is delivered, issued for delivery, renewed, extended, or modified in this state must provide coverage for the treatment of ~~phenylketonuria~~ inborn errors of metabolism that involve amino acid, carbohydrate, and fat metabolism and for which medically standard methods of diagnosis, treatment, and monitoring exist.

(2) Coverage must include expenses of diagnosing, monitoring, and controlling the disorders by nutritional and medical assessment, including but not limited to clinical services, biochemical analysis, medical supplies, prescription drugs, corrective lenses for conditions related to the inborn error of metabolism, nutritional management, and medical foods used in treatment to compensate for the metabolic abnormality and to maintain adequate nutritional status.

~~(2)~~(3) For purposes of this section~~,~~:

(a) "medical foods" means nutritional substances in any form that are:

(i) formulated to be consumed or administered enterally under supervision of a physician;

(ii) specifically processed or formulated to be distinct in one or more nutrients present in natural food;

(iii) intended for the medical and nutritional management of patients with limited capacity to metabolize ordinary foodstuffs or certain nutrients contained in ordinary foodstuffs or who have other

specific nutrient requirements as established by medical evaluation; and

(iv) essential to optimize growth, health, and metabolic homeostasis;

(b) "treatment" means licensed professional medical services under the supervision of a physician ~~and a dietary formula product to achieve and maintain normalized blood levels of phenylalanine and adequate nutritional status~~.

~~(3)~~(4) These services are subject to the terms of the applicable group or individual disability policy, certificate, or membership contract that establishes durational limits, dollar limits, deductibles, and copayment provisions as long as the terms are not less favorable than for physical illness generally.

~~(4)~~(5) This section does not apply to disability income, hospital indemnity, medicare supplement, accident-only, vision, dental, or specified disease policies."

NEW SECTION. **Section 2. Effective date -- applicability.** [This act] is effective January 1, 2000, and applies to all policies or certificates issued or renewed on or after that date.

- END -

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON HUMAN SERVICES

Call to Order: By **CHAIRMAN LOREN SOFT**, on January 18, 1999 at 3:00 P.M., in Room 104 Capitol.

ROLL CALL

Members Present:

Rep. Loren Soft, Chairman (R)
Rep. Roy Brown, Vice Chairman (R)
Rep. Carolyn Squires, Vice Chairman (D)
Rep. Chris Ahner (R)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Tom Dell (D)
Rep. Mary Anne Guggenheim (D)
Rep. Chase Hibbard (R)
Rep. Verdell Jackson (R)
Rep. Billie Krenzler (D)
Rep. Ralph Lenhart (D)
Rep. Brad Molnar (R)
Rep. Trudi Schmidt (D)
Rep. Jim Shockley (R)
Rep. Bruce Simon (R)
Rep. Bill Thomas (R)
Rep. Carol Williams (D)

Members Excused: Rep. Shockley

Members Absent: None.

Staff Present: David Niss, Legislative Branch
Jaelene Racicot, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 266
Executive Action: HB 266 Do Pass As Amended 17-0
HB 85 Do Pass As Amended 15-2
HB 70 Do Pass As Amended 17-0

A letter written by **Dr. Robert Kautz** was handed in to the committee members. **EXHIBIT(huh13a01)** ***{Tape : 1; Side : A; Approx. Tape Counter : 0 - 20}***

HEARING ON HB 266

Opening Statement by Sponsor: **REP. MARY ANN GUGGENHEIM, HD 55,** introduced the bill. See **EXHIBIT(huh13a02)** ***{Tape : 1; Side : A; Approx. Tape Counter : 20 - 208}***

Proponents' Testimony: **Joanie Heydon, self** ***{Tape : 1; Side : A; Approx. Tape Counter : 208 - 228}***

Dean Heydon, self ***{Tape : 1; Side : A; Approx. Tape Counter : 228 - 239}***

Mary Musil, M.S., R.D., Nutritionist Montana Metabolic Team. See **EXHIBIT(huh13a03)** ***{Tape : 1; Side : A; Approx. Tape Counter : 239 - 337}***

Claudia Clifford, Montana State Auditor's Office. ***{Tape : 1; Side : A; Approx. Tape Counter : 337 - 363}***

Dave Krainacker, Helena Family Physician ***{Tape : 1; Side : A; Approx. Tape Counter : 363 - 438}***

Dale Stoverud, Clinic Pharmacy ***{Tape : 1; Side : A; Approx. Tape Counter : 438 - 515}*** **Mr. Stoverud's testimony continued through to** ***{Tape : 1; Side : B; Approx. Tape Counter : 0 - 5}***

Beda Lovitt, Montana Medical Association ***{Tape : 1; Side : B; Approx. Tape Counter : 5 - 16}***

Opponents' Testimony:
None

Informational Testimony: **Michael Spence, Medical Officer in the Health Policy and Services Division of the Department of Public Health and Human Services.** See **EXHIBIT(huh13a04)** ***{Tape : 1; Side : B; Approx. Tape Counter : 16 - 43}***

Questions from Committee Members and Responses:
{Tape : 1; Side : B; Approx. Tape Counter : 43 - 166}

Closing by Sponsor: **REP. GUGGENHEIM** closed. ***{Tape : 1; Side : B; Approx. Tape Counter : 166 - 186}***

EXECUTIVE ACTION ON HB 85

Motion: **REP. SIMON** moved **DO PASS.** ***{Tape : 1; Side : B; Approx. Tape Counter : 186 - 191}***

Motion: **REP. SIMON** moved **an AMENDMENT.** See **EXHIBIT(huh13a05)** ***{Tape : 1; Side : B; Approx. Tape Counter : 191 - 192}***

Discussion: ***{Tape : 1; Side : B; Approx. Tape Counter : 192 - 232}***

Vote: The motion carried. ***{Tape : 1; Side : B; Approx. Tape Counter : 232 - 234}***

Motion: **REP. SQUIRES** moved **AN AMENDMENT.** See **EXHIBIT(huh13a06)** ***{Tape : 1; Side : B; Approx. Tape Counter : 234 - 235}***

Discussion: ***{Tape : 1; Side : B; Approx. Tape Counter : 235 - 515}*** Discussion continued by committee members through to ***{Tape : 2; Side : A; Approx. Tape Counter : 0 - 32}***

Vote: A roll call vote was taken. The motion failed 5-12 receiving no vote from **REP. SHOCKLEY.** ***{Tape : 2; Side : A; Approx. Tape Counter : 32 - 43}***

Motion/Vote: **REP. SIMON** moved **HB 85 DO PASS AS AMENDED. Motion carried 15-2.** No vote was received by **REP. SHOCKLEY.** ***{Tape : 2; Side : A; Approx. Tape Counter : 43 - 53}***

EXECUTIVE ACTION ON HB 266

Motion: **REP. LENHART** moved **HB 266 DO PASS.** ***{Tape : 2; Side : A; Approx. Tape Counter : 53 - 54}***

Discussion: ***{Tape : 2; Side : A; Approx. Tape Counter : 54 - 68}***

Motion: **REP. GUGGENHEIM** moved an **AMENDMENT** DO PASS. ***{Tape : 2; Side : A; Approx. Tape Counter : 68 - 69}***

Discussion: ***{Tape : 2; Side : A; Approx. Tape Counter : 69 - 99}***

Vote: Motion **carried 17-0.** ***{Tape : 2; Side : A; Approx. Tape Counter : 99 - 100}***

FINAL
Signed:

MINUTES

MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON PUBLIC HEALTH, WELFARE AND SAFETY

Call to Order: By **CHAIRMAN AL BISHOP**, on March 15, 1999 at 3:10 P.M., in Room 410 Capitol.

ROLL CALL

Members Present:

Sen. Al Bishop, Chairman (R)
Sen. Fred Thomas, Vice Chairman (R)
Sen. Sue Bartlett (D)
Sen. Dale Berry (R)
Sen. John C. Bollinger (R)
Sen. Chris Christian (D)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Eve Franklin (D)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)

Members Excused: None.

Members Absent: None.

Staff Present: Susan Fox, Legislative Branch
Martha McGee, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 266, HB 430, 3/4/1999
Executive Action: HB 430, HB 399, HB 580

HEARING ON HB 266

Sponsor: **REP. MARY ANNE GUGGENHEIM, HD 55, Helena**

Proponents: **Joni Heydon, Private Citizen, Joplin, MT.**
Dean Heydon, Joni Haydon's father, Joplin, MT.
Mary Musil, M.S.,R.D., Representing herself, Nutritionist for the Montana Metabolic Team/DPHHS
Claudia Clifford, Insurance Specialist, State Auditor's Office
Todd, Thun, Montana Nurse's Association
Beda Lovitt, Montana Medical Association

Opponents: **None**

Informational Testimony: **Michael Spence, M.D., State Medical Officer, Health Policy & Services Division, DPHHS**

Opening Statement by Sponsor:

REP. MARY ANNE GUGGENHEIM, HD 55, Helena, said this in many ways is a relative small bill, not complicated issues, which she is going to spend very little time on, unless the Committee has specific questions. They may wonder why **REP. MENAHAN'S** name is on this bill with her. A little interesting history. This bill basically revises a portion of statute that **REP. MENAHAN** Sponsored and got into the Montana State Code, about 15 years ago. He has a family member who has this condition, and has always been very interested in it. The amendments to the current statute, are essentially two things. The first, relating to phenylketonuria, PKU, is what they call it, a metabolic condition that current statute refers to. The changes that she proposes, relative to PKU, have to do with a little more leverage, so that all insurance companies, who cover PKU, will cover not only a terrible tasting milk-like formula, which has been the standard treatment, for this condition, ever since they have had treatment for it, about 30 or 40 years, but now, will also cover, some special foods. She brought some samples with her today. **Mary Musil,** Nutritionist will tell you more about them.

These are new foods that are available by special commercial producers. You can't go into the grocery store and buy them. You have to get them from a pharmacists and they allow people who have PKU to have a more normal looking and tasting diet. Instead of just drinking this quite bad tasting formula, there are several kinds, but they all taste bad to her, they can not substitute, in part some of these foods. The Committee will hear from an individual who has PKU that this makes life a whole lot nicer. These foods are more expensive. They are specially

produced and they have run into the situation, even when people have a rider on their insurance, that says "PKU is covered," they fight for months and years to get them to cover these foods. The first piece of this proposed change is to clarify, that in addition to covering the standard formula, which it took a while to get companies to do that, but now they do, that it also includes, foods. And that is identified on the top of Page 4, Line 5, "medical foods", and then medical foods as specifically defined as food.

The second change she proposes is while they are amending this section of Code to put into the statute, "that for a handful of other rare diseases, even more rare than PKU, they have a couple in the state right now, about 20 patients in the state, under treatment for PKU, but some very rare conditions that involve complicated biochemistry, and she is not going to spell those words at the Committee today. If they pop up, they occur in incidences of 1 in 15, to 1 in 50,000, live births, so you are not going to see it very often. When comparable ways of medical treatment, involving special alterations in PKU are essential, absolutely crucial part of the treatment, that those conditions would also be covered. In the language that does, is to indicate on Page 3, Lines 26 and 27, the term is "inborn errors of metabolism. She said she would give them a little window of just what PKU and analogous diseases are and why they need this very special nutritional treatment.

Our bodies do a very remarkable thing. We give it food, either in the form of carbohydrate, or protein, and from that food, the carburetor and engine of our body, produces our substance, protein, fat and carbohydrate, but it's in the form of brains, kidneys, and muscles. And it is also constantly replenishing that, like your skin and nails turn over, the rest of your body does too. So that our body takes food, and gives us our building blocks and it also produces energy, so we can move our body, and make use of it. The way this is done is by, literally thousands, helper proteins that are called enzymes. Each of those enzymes are controlled by a single gene. They are doing full circle here in terms of genetics. These are single gene disorders, not the complex things like diabetes, and cancer, which are multiple genetic factors. This is a lessor kind of a thing. The trick is to give them insight into the PKU. Why you can't just treat this yourself by going to the grocery store, and why don't they buy certain bread, etc. PKU itself is a disorder that lies within protein metabolism, and proteins are made up of 26 different kinds of building blocks come together in a variety of ways. They are called amino acids. It turns out that there are 9 amino acids that the body has to take in. It can't make the other amino acids. There are some it can't make. Therefore, you have to eat in order for the body to have the fuel that it needs

to accomplish the 2 things that she mentioned earlier. Phenylketonuria, amino acid is one of those essential ones. So that means that you cannot live if you don't take phenylketonuria into your body, because you need it for this process.

In this rare disease about 1 in 10,000 live births, the PKU, the defect one of the systems in phenylketonuria metabolism that has to with passing it on to the next step. The consequence of the deficience is that single enzyme, in people who have what they call PKU as a disease. The amount of phyenylketonuria gets blocked, because it can't move to the next level in the system that the body has set up. When your phyenylketonuria level gets above the normal amount, most of us have around 2 to 3 milligrams parts per million, anyway a certain amount. When the level goes up, which happens when you can't move it along a conveyor belt, it causes severe brain damage. If they don't pick this disease up early, and put babies on this special formula early, you end up with residents of Boulder, MT, rather than normally looking high school seniors. It is a marvelous thing. It is one of the really success stories of medicine of the last 40 or 50 years.

The trick, you see, is that you just can't take in "no protein", because you need phyenylketonuria, it's essential. The body can't make it any other way. The formulas, and the foods, are designed to give enough to grow on and to make the system work, but not too much, so it doesn't cause brain damage. In essence that is how they treat it. As a physician, she is involved in the diagnosis, writing prescriptions for the formulas, and dealing with this and that. However, the crucial person in the patient's life is a knowledgeable dietitian. This is the kind of diseases, these inborn errors of metabolism, they are dealing with. Picked up early, treated appropriately, no problem. If that doesn't happen, and there is evidence that taking tasting formula all of your life, well you can imagine when you are 14 years old, how that would appeal to you. There are actually studies showing that when people with this disease only have the formula, they are not as compliant. They cheat. Who wouldn't.

Now and then you just have to go with a hamburger, especially if you can't have spaghetti or crackers, or bread or anything like that, which you can't have except for the food products. This is the best medicine. It's a bit more expensive, the foods you cannot do it yourself. You cannot buy these. They do it all in Montana, through a pharmacist. **EXHIBIT(phs58a01)**

They have a letter in their packet from a pharmacist in Great Falls, who actually testified at the House hearing, but he is unable to make it here today. Most of the prescriptions wrote through him, he gets from the various companies that provide it. It is all calculated, and complicated, but it works.

Proponents' Testimony:

Joni Heydon, Joplin, MT, said in 1984, when she was born, she was diagnosed with PKU. She has been on a diet for over 18 years. She has had nutritionists in the past, they figure out the amount of protein, low proteins foods that she can have. In the early years, the diet was easier to maintain than now, because her parents did it all from the beginning. Now she is starting to handle it by herself. In 1989, she was in the Senate hearing, she was at the Senate hearing for the previous bill. The bill helped, but did not solve all the needs. She has been to Portland and Denver Medical Centers. From 1995 to 1996, she was in a research study, where she got to try other low protein foods that she can have. She comes to Helena, 2 times a year, to link back up with the medical team. She is asking the Committee to support these changes to the law, for herself and all the PKU'S.

Dean Heydon, Joni Haydon's father, Private Citizen, said they knew nothing about PKU when Joni was born. They learned it all basically through the nutritionist. They fought with the insurance companies. They were at the 1989 Legislative Session Senate hearing. It did pass there. There has been a lot of progress with the different foods. They believe these changes to the bill will help. They ask for the Committee's support on **HB 266.**

Mary Musil, M.S.,R.D., Helena, Representing herself, Nutritionist for the Montana Metabolic Team organized by the Montana Department of PHHS, read her testimony.
EXHIBIT(phs58a02)

Claudia Clifford, Insurance Specialist, State Auditor's Office, said **Mark O'Keefe, State Auditor, Commissioner of Insurance,** stand
in support of the update of this mandated benefit. It makes a lot of sense to treat people like **Joni Heydon** properly. She didn't think this reflects a great increase in cost. These are very, very rare diseases and this bill makes a lot of sense.

Todd Thun, Representing the Montana Nurse's Association. For the record, the Association stands in support of this bill.

Beda Lovitt, Montana Medical Association, said she will just echo, and say they are in strong support of this bill.

Opponents' Testimony: None

Informational Testimony:

Michael Spence, Medical Doctor, and State Medical Officer for DPHHS, Health Policy & Services Division, said inborn errors of metabolism, although they are relative uncommon, are very serious diseases. They are inherited from ones parents through genes as was explained by **Doctor Guggenheim.** They are not preventable. They are not acquired. They are acquired only through birth. They occur very infrequently. The frequency of phenylketonuria for example is about 1 in every 10,000, to 1 in every 20,000 live births. In the State of Montana, there is between 10,000 and 11,000 live births every year, so they see one or two children born with this particular condition. Other inborn errors of metabolism, which were mentioned include such things as galactosemia, which occurs with the frequency of 1 in every 50,000 live births, maple syrup urine disease, 1 in every 200,000 live births, and homoceptinuria, 1 in every 200,000 to 300,000 live births. They might see one of these every 20 to 30 years in the State of Montana. These conditions are uncommon. They are not preventable. What is critically important is that they are diagnosed early. They have a mandate, where all children that are newborn in the State of Montana, have a blood test at the birth, looking for these conditions. Once they are diagnosed, it is of utmost importance to not only diagnose them, but to initiate therapy. Initialing therapy of the essence to get a positive result in children that are born with these particular conditions. As was pointed out by **Doctor Guggenheim,** the condition has to be treated by using very special formulated diets. Phenylketonuria which represents the most common of these conditions is nutritional deficiency of an enzyme that causes accumulation of this particular amino acid. They know for example that phenylketonuria occurs in every source of protein. It occurs in poultry, red meat, it occurs in butter, cheese and cereals, as was pointed out by **Ms. Musil.** So they know that it is every where and sticks with us in our diets. You cannot get around it. So people with this particular condition are forced to eat foods that have a deficiently in this, or a structured amount of it. They have to look at this as not necessarily just a food, because all us have to have food, to sustain ourselves, but this is much like insulin that is required by the diabetic, or like medication that is required by the person with heart disease, or high blood pressure. This is a medical requirement that is why they write formulas and prescriptions for these patients. It is thought that when one considers what is available, in looking at this, they know that this condition: (1) is acquired, it is not preventable, it requires early diagnosis, and it mandates effective treatment.

Questions from Committee Members and Responses:

SEN. HARGROVE said to **REP. GUGGENHEIM,** that he noticed she had gone to some trouble in the bill to replace the PKU, phenylketonuria with a generic term. Are there other things that fall under that inborn errors of metabolism.

REP. GUGGENHEIM answered, yes there are. **Doctor Spence** ran over a few of the numbers and rare conditions. Those are inborn errors of metabolism. Inborn errors of metabolism is a long established medical term. You can find chapters and sections that are headed with that term. It describes these rare diseases where there is a glitch in one particular enzyme that makes one particular thing go out of kilter.

SEN. HARGROVE said, he supposed it was obvious, but there is no definition for ordinary foods. He guessed that it was anything that wasn't necessary as a medical food.

REP. GUGGENHEIM answered, what they implied by that is going to the grocery store, or any other place that sells food or drink, and items you could buy, just by paying for it. As opposed to a food that is specifically synthesized to be low, or it could be a situation excessively high in some thing, and specifically formulated. These are low in protein. You can't buy them in the grocery store.

SEN. HARGROVE commented, the first of January the year 2000, is there any particular reason for that, for when the bill is in effect.

REP. GUGGENHEIM, said she didn't think she could answer that.

SEN. HARGROVE redirected his question to **Claudia Clifford.**

Claudia Clifford said, a number of the insurance companies have asked that when they change certain kinds of insurance statutes, they do it at the first of the year. The first of the year is when they have the most renewals. They try to bring it into compliance, and have standardization.

SEN. FRANKLIN said, technically you probably wouldn't consider this, but is there any way that juvenile diabetes could be construed as an inborn error of metabolism. There could be arguments over whether or not special low sugar products would be covered, to save us any problems later. She sees that later in the bill, it says, "inborn errors of metabolism that involve amino acid, carbohydrate, and fat metabolism. Juvenile diabetics would basically be problems with glucose. Do you want a control for that in this bill?

REP. GUGGENHEIM answered, she didn't think so. If they look at the top of Page 4, Line 7 (ii), says, "specifically processed or formulated to be distinct". They used the word to be "distinct," rather than deficient, she forgets what the disease was, but there was one where there would have a higher than usual amount. She didn't think that just by using an artificial sweetener, or not eating sugary foods, that it would go in. Certainly diabetes is not an inborn error of metabolism analogous to these other conditions, except that it is hormonal deficiency.

SEN. CHRISTIAENS asked **Claudia Clifford**, he sees that this is going to mandate coverage by **MEWAs** (Multiple Employer Welfare Arrangements), how are you able to do that.

Claudia Clifford, answered the law does currently have certain statutes that regulate **MEWAs**, and it exempts those **MEWAs** from other parts of our statutes. They have some regularity authority, which is sort of in flux, depending on certain court decisions. They have some regulatory authority over certain MEWA arrangements. She is guessing that when this bill was drafted, it was drafted to try affect as many kinds of plans as possible.

SEN. CHRISTIAN stated, left out are all those under ERISA (Employee Retirement Income Security Act), and the self insured plans. What about HMO's as well.

Claudia Clifford asked **SEN. CHRISTIAN**, if he was asking whether this bill affects HMO's.

SEN. CHRISTIAN stated, right.

Claudia Clifford, answered, she would have to check the HMO statute. She believes it does already affect HMO's, because the way the HMO statute is set up, it lists the number of the various benefits that must comply. So if you change the main provisions of a mandated benefit, and its referenced in HMO statute, then this bill would effect the provision in the HMO statutes. It is her guess, that if she wasn't sent over with a note to make sure it happened, then their legal department has said, " that it will affect HMO's."

SEN. CHRISTIAN said the question that he has is, they must have other types of things that some how physicians must be able to write it as a diagnoses that is covered by insurance. How would they be handling this now. Couldn't they do something that would require a diet, a special diet, that would require some insurance coverage, such as the juvenile diabetes that **SEN. FRANKLIN** talked about. Or are they just automatically covered..

Claudia Clifford stated this is very specific to the inborn errors of metabolism. Otherwise speciality foods developed for diabetics are never covered by insurance companies. They are going to have to work with the physicians and specialists that understand this, and even have their policy holders services division and enforces a lot of these laws that have a specific list of what are the names of the conditions that they need to look out for.

Closing by Sponsor:

REP. GUGGENHEIM thanked the Committee for a good hearing. These are rare diseases, and it behooves us to treat them in an optimal way, instead of having to take care of **Joni Haydon** all of her life, she is going to start paying taxes pretty soon. So lets do it right.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 30}

HEARING ON HB 430

Sponsor: REP. CAROLYN SQUIRES, HB 68, Missoula

Proponents: **Brandon Tippy, Representing 500 + Members of Local #3038, Union in Missoula, Members of Stimpson Lumber Company, Circle Manufacturing and Clausen Manufacturing Co.**
Larry Keogh, Member of Carpenters' Local #3038, Stimpson Plant, Bonner, MT
Don, Judge, Representing State AFL-CIO
Gene Fenderson, Representing Montana Highway Com., Construction Group Which Includes, Dams, Refineries, Highways and Causeways, etc.
Todd Thun, Montana Nurse's Association
Nancy Butler, State Fund
Al Smith, Attorney, Montana Trial Lawyers'
George Wood, Montana Self Insurers' Association

Opponents: None

Opening Statement by Sponsor:

REP. CAROLYN SQUIRES, HD 68, Missoula, said today, she is presenting **HB 430. House Bill 430** is a bill that was brought to

Vote: **The motion carried with SEN. BARTLETT AND SEN. FRANKLIN voting "no" - 8-2.**

SEN. GRIMES said he will not have an amendment, but with the Committee's indulgence, he would work on that language. He had intended to work on it and didn't. He will see if he can come up with some language, and get with each of them individually before action on the Senate Floor.

SEN. FRANKLIN asked if whether they just wanted to do this in Committee so at least they will understand what the amendment is before it goes on the Floor.

SEN. GRIMES answered, he would try to get it done before its reported out. He'd work on the language tonight. He would be happy to carry this bill on the Floor, since his name is on it.

Motion **SEN. GRIMES** moved that **HB 111 BE CONCURRED IN AS AMENDED.**

Vote: **The motion carried unanimously, with CHAIRMAN BOHLINGER** including **SEN. BISHOP'S "yes", vote by proxy, for the record -11-0.**

EXECUTIVE ACTION ON HB 266

ACTING CHAIRMAN BOHLINGER said they will take up consideration of **HB 266**, and **SEN. CHRISTIAENS** has an amendment which is being circulated.

Motion **SEN. CHRISTIAENS** moved **HB 266 BE AMENDED -AMENDMENT #HB026601.asf.**
EXHIBIT(phs60a04)

SEN. CHRISTIAENS explained the amendment. He believed something was overlooked, when the bill was being drafted. It applies to HMO's (Health Maintenance Organizations). He wanted to make sure this language was in the bill, and this is what the amendment does.

ACTING CHAIRMAN BOHLINGER said he would like to have their **Researcher, Susan Fox**, explain this **AMENDMENT #HB026601.asf.**

Informational Testimony:

Susan Fox, said the substance of the amendment is Section 3 of the bill, Section 33-31-102, MCA, is the definition section for HMO's. If they look at 2 (j), they will see that it had "treatment for PKU" in the bill and it defined the term treatment.

That treatment definition was the same as that existed in the section on coverage for PKU's. But because it has been expanded in the medical food area, that was discussed under coverage, not necessarily the definition of the treatment. She changed the word "PKU" to the "inborn errors of metabolism." Instead of reiterating the definition of treatment and medical food, she just tied it directly to those definitions that they already found in Section 1, of the bill.

The next section that is being inserted is Section 4. Section 33-31-111, MCA, provides the laundry list of statutes that apply. She is not clear why it wasn't in there before, but this is the place where the HMO's expect to look and find out what other provisions of Title 33 will apply to them. It is a fairly simple, though it looks long.

Questions from the Committee Members and Responses:

SEN. THOMAS stated that it adds a new section of law.

Vote: The motion to adopt AMENDMENT #HB026601.asf carried 10-0.

Motion/Vote: SEN. CHRISTIAENS moved that **HB 266 BE CONCURRED IN AS AMENDED. The motion carried unanimously, with SEN. BISHOP voting "yes," by proxy - 11-0.**

SEN. THOMAS said he wanted to thank **SEN. GRIMES** again for working so hard on **HB 111.** All the Committee members agreed and gave **SEN. GRIMES** a grand round of applause.

SEN. THOMAS told the members of the Committee that they may meet again, on Friday, March 17, 1999, at **CHAIRMAN BISHOP'S** call.

SEN. THOMAS reported the issue is **SB 322, SEN. WATERMAN'S** bill that is in **Subcommittee**, the hospital conversion bill. The **Subcommittee** is working on that. The **Subcommittee** is going to meet tomorrow at 11:00 a.m. in Room 405. It is their intention to be done with that bill tomorrow at noon. **SEN. CHRISTIANENS,**

SEN. GRIMES, including himself **(SEN. THOMAS)**. They will report to the PHS Committee on Friday, March 19,1999, if they can. That is their plan.

ACTING CHAIRMAN BOHLINGER stated that **SEN. CHRISTIAENS** will carry **HB 266** on the Senate Floor.

{Tape : 2; Side : A; Approx. Time Counter : 0 - 13}

ADJOURNMENT

Adjournment: 4:20 P.M.

SEN. John C. Bohlinger,
Acting Chairman

MARTHA MCGEE, Secretary

AB/MM

EXHIBIT(phs60aad)